

## American Rescue Plan Act (ARPA)

### Town of Smithfield Allocation

The funds will be distributed to the town over the next year. The amounts are broken down into two components, as follows:

	<b>1<sup>st</sup> Tranche Rec'd</b>	<b>2<sup>nd</sup> Tranche (Est.)</b>	<b>Total Allocation (Est.)</b>
Non-entitlement Aid to Municipalities	1,145,963.66	1,145,963.66	2,291,927.32
County-based Aid to Municipalities	2,126,617.78	2,126,617.79	4,253,235.57
<b>Totals</b>	<b>3,272,581.44</b>	<b>3,272,581.45</b>	<b>6,545,162.89</b>

**Funds must be obligated by December 31, 2024 and spent by December 31, 2026**

### Criteria Based on US Treasury FRF Final Rule

“(1) to respond to the **public health** emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative **economic impacts**, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

“(2) to respond to workers performing essential work during the COVID-19 public health emergency by providing **premium pay to eligible workers** of the metropolitan city, non-entitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

“(3) for the provision of government services to the extent of the **reduction in revenue** of such metropolitan city, non-entitlement unit of local government, or county due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, non-entitlement unit of local government, or county prior to the emergency;

**\*Added: The final rule offers a standard allowance for revenue loss of up to \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation. Recipients that select the standard allowance may use that amount – in many cases their full award – for government services, with streamlined reporting requirements**

“(4) to make necessary **investments** in water, sewer, or broadband infrastructure.

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## Eligible Uses for each criteria

### Criteria (1)

- Mitigation and Prevention – To contain the spread of COVID-19 through services and programming as well as ventilation improvements in congregate settings
- Responding to Negative Economic Impacts - Provide aid to small business and industries negatively impacted by COVID-19 and its effects on the local economy; economy remains 8.2 million jobs below its pre-pandemic peak as such, these recessions can also cause longer-term economic challenges through damaged consumer credit scores and reduced familial and childhood well-being.
- Rehiring Government Staff – The rehiring of certain staff up to the pre-pandemic staffing level of the government to effectively administer government services
- Building Stronger Communities through Investments in Housing and Neighborhoods - Assist organizations (non-profit) that serve the needs of vulnerable populations within the community, particularly those heavily impacted by the pandemic. Investments can range from assisting individuals to supporting redevelopment of entire neighborhoods.
- Promoting Healthy Childhood Environments – To provide services to address increases in economic hardship, material insecurity, and parental stress and behavioral health challenges all raise the risk of long-term harms to today’s children.

### Criteria (2)

- Organizational Needs – Address needs within Town departments or amongst city essential employees that improve the capabilities of staff to respond to public needs and support employees most susceptible to COVID.
- Essential Workers – To provide premium pay to those workers entirely devoted to mitigating or responding to COVID-19 this includes those that faced or face heightened risks due to the character of their work involving regular in-person interactions or regular physical handling of items that were also handled by others.

### Criteria (3)

- Revenue Loss (**Government Services**) – Losses claimed can be used for any government services such as maintenance of infrastructure or pay-go spending for building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation and the provision of police, fire and other public safety services. Pension contributions or rainy-day funds are not eligible. The final rule offers a standard allowance for revenue loss of \$10M, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation. With the standard allowance Smithfield’s **full award** is eligible for government services.
- Examples:
  - Constructions of schools
  - Road building and maintenance, and other infrastructure
  - Health services

- General government administration, staff and administrative facilities
- Environmental remediation
- Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)
- Government services is the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements. Recipients should be mindful that certain restrictions, which are detailed further in the Restrictions on Use section and apply to all uses of funds, apply to government services as well.

#### **Criteria (4)**

- Infrastructure Investments – To assist in meeting the critical need for investments and improvements to existing infrastructure in water, sewer and broadband. To improve access to clean drinking water, improve wastewater and stormwater infrastructure systems and provide access to high-quality broadband service. Must consider resilience to climate change or establish/improve broadband service to unserved/underserved population to reach an adequate level to permit a household to work or attend school.
  - Water and Sewer Infrastructure will need to align with Clean Water and Drinking Water regulations
  - Broadband Infrastructure has become even more critical for people across the country to carry out their daily lives thus the importance of availability, reliable and affordable broadband coverage.

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#### **Potential Uses**

- Business Assistance Grants
  - Boyle Athletic Complex
  - Road Improvements / Paving
  - East Smithfield Neighborhood Center
  - Mental Health and Substance Use Support
  - Modernization of town's cybersecurity
  - Town website redesign and development
  - Public safety equipment (Police and Fire)
  - Town Council Chambers Virtual Meeting Streaming
  - Town Hall HVAC System Replacement
  - Dog Shelter Capital Contribution
  - Emergency Management Equipment
  - Recreation Programming and Equipment
  - School Capital Projects
  - Innovation Grant Funding
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## **Restrictions on Use**

While recipients have considerable flexibility to use Coronavirus State and Local Fiscal Recovery Funds to address the diverse needs of their communities, some restrictions on use of funds apply.

### **OFFSET A REDUCTION IN NET TAX REVENUE**

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation beginning on March 3, 2021, through the last day of the fiscal year in which the funds provided have been spent.** If a state or territory cuts taxes during this period, it must demonstrate how it paid for the tax cuts from sources other than SLFRF, such as by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be repaid to the Treasury.

### **DEPOSITS INTO PENSION FUNDS**

- **No recipients except Tribal governments may use this funding to make a deposit to a pension fund.** Treasury defines a “deposit” as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions connected to an eligible use of funds (e.g., for public health and safety staff). Examples of extraordinary payments include ones that:
  - Reduce a liability incurred prior to the start of the COVID-19 public health emergency and occur outside the recipient's regular timing for making the payment
  - Occur at the regular time for pension contributions but is larger than a regular payment would have been

### **ADDITIONAL RESTRICTIONS AND REQUIREMENTS**

Additional restrictions and requirements that apply across all eligible use categories include:

- **No debt service or replenishing financial reserves.** Since SLFRF funds are intended to be used prospectively, recipients may not use SLFRF funds for debt service or replenishing financial reserves (e.g., rainy day funds).
- **No satisfaction of settlements and judgments.** Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding is itself not an eligible use. However, if a settlement requires the recipient to provide services or incur other costs that are an eligible use of SLFRF funds, SLFRF may be used for those costs.

- **Additional general restrictions.** SLFRF funds may not be used for a project that conflicts with or contravenes the purpose of the American Rescue Plan Act statute (e.g., uses of funds that undermine COVID-19 mitigation practices in line with CDC guidance and recommendations) and may not be used in violation of the Award Terms and Conditions or conflict of interest requirements under the Uniform Guidance. Other applicable laws and regulations, outside of SLFRF program requirements, may also apply (e.g., laws around procurement, contracting, conflicts-of-interest, environmental standards, or civil rights).

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**Total Available Funds**

**6,545,162.89**

**Proposed Projects and Uses**

Business Assistance Grants	300,000.00
Boyle Athletic Complex	1,600,000.00
Road Improvements / Paving	1,500,000.00
East Smithfield Neighborhood Center	550,000.00
Mental Health and Substance Use Support	150,000.00
Modernization of Town-wide Cyber Network	400,000.00
Town website redesign and development	30,000.00
Public Safety Equipment (Police and Fire)	700,000.00
Town Council Chambers Virtual Equipment	24,000.00
Town Hall HVAC Replacement	400,000.00
Dog Shelter Capital Contribution	175,000.00
Emergency Management Equipment	40,000.00
Recreation Programming, Equipment and Part-Time Staff	200,000.00
School Capital Projects	400,000.00
Innovation Grant Funding	60,000.00

**Total Budget Amount**

**6,529,000.00**

**Remaining Funds Available**

**16,162.89**